

State of Louisiana



M.J. "MIKE" FOSTER, JR.
GOVERNOR

JACK C. CALDWELL
SECRETARY

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

June 17, 2003

Richard W. Revels, REP
LISKOW & LEWIS
P. O. Box 52008
Lafayette, LA 70505-2008

RE: EMERGENCY REQUEST OF June 12, 2003
SAND(s): MARGINULINA HOWEI ZONE, RESERVOIR C
FIELD: SOUTHWEST LAKE ARTHUR FIELD
PARISH: Cameron Parish, Louisiana
APPLICANT: DENBURY RESOURCES INC.

Dear Mr. Revels:

Because of the reason set forth in your emergency request letter, it has been determined that undue hardship would be caused by the 20-day delay prescribed in Rule 3 of the Revised Rules of Procedure, effective October 11, 1983. You are therefore permitted to immediately file your application in compliance with Rule 8 of the Revised Rules of Procedure.

Yours truly,

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

BY:

John R. Aldridge, Director
ENGINEERING DIVISION

JRA:dpe

LISKOW & LEWIS

A PROFESSIONAL LAW CORPORATION

GENE W. LAFITTE
LEON J. REYMOND, JR.
J. BERRY ST. JOHN, JR.
DONALD R. ABAUNZA
JOHN M. WILSON
LAWRENCE P. SIMON, JR.
S. GENE FENDLER
JOHN D. WOGAN
MAURICE C. HEBERT, JR.
GEORGE H. ROBINSON, JR.
MARILYN C. MALONEY
JOSEPH C. GIGLIO, JR.
PATRICK W. GRAY
ROBERT E. HOLDEN
JOE B. NORMAN
THOMAS M. McNAMARA
JAMES N. MANSFIELD III
BILLY J. DOMINGUE
PHILIP K. JONES, JR.
WILLIAM W. PUGH
RICHARD W. REVELS, JR.
JOSEPH P. HEBERT
MARGUERITE L. ADAMS †
DAVID W. LEEFE
WM. BLAKE BENNETT

MARK A. LOWE
GEORGE DENEGRÉ, JR.
DON K. HAYCRAFT
CRAIG WYMAN
JAMES A. BROWN
R. KEITH JARRETT
STEVIA M. WALTHER
BRIAN A. JACKSON
ROBERT S. ANGELICO •
ROBERT L. THERIOT
DENA L. OLIVIER
GEORGE ARGENEAUX III
MARIE BREAUX
RANDY C. SNYDER
JONATHAN A. HUNTER
THOMAS P. DIAZ
MARY S. JOHNSON
SHAUN G. CLARKE
JAMES C. EXNICIOS •
THOMAS J. MCGOEY II
SCOTT C. SEILER
CHERYL MOLLERE KORNICK
MARK D. LATHAM
JOHN C. ANJIER
G. C. SLAWSON, JR.

ATTORNEYS AT LAW

ONE SHELL SQUARE
701 POYDRAS STREET, SUITE 5000
NEW ORLEANS, LOUISIANA 70139-5099

TELEPHONE (504) 581-7979
FACSIMILE (504) 556-4108 • (504) 556-4109

822 HARDING STREET
P.O. BOX 52008
LAFAYETTE, LOUISIANA 70505-2008
TELEPHONE (337) 232-7424
FACSIMILE (337) 267-2399

FIRM@LISKOW.COM
WWW.LISKOW.COM

CULLEN R. LISKOW (1893-1971)
AUSTIN W. LEWIS (1910-1974)

SHANNON S. HOLTZMAN
CAROL WELBORN REISMAN
MATT JONES
DAVID L. REISMAN
JILL THOMPSON LOSCH
MICHAEL D. RUBENSTEIN
HAROLD J. FLANAGAN
GREG L. JOHNSON
JAMIE D. RHYMES
KIRSTINA DELUNA MILLER
BRETT D. WISE
KYLE P. POLOZOLA
MARY C. HESTER †
THOMAS BERON
J. PATRICK MORRIS, JR.
E. JANE ROLLING
MARK A. JOHNSON
ELISE MAYERS BOUCHNER
JANA L. GRAUBERGER
SHAWN C. RHYMES
K. TODD WALLACE
MAURY C. HEBERT
MICHAEL A. GOLEMI
JANINE V. HODGES
JASON P. BERGERON

CHADWICK J. MOLLERE •
KELLY T. SCALISE
DANA M. DOUGLAS
NATHAN B. ABERCROMBIE
H.S. BARTLETT III
JAMES H. DUPUIS, JR.
KELLY BRECHTEL BECKER
RENÉE ZERINGUE BERARD
AMY E. ALLUMS
DEBORAH MCCROCKLIN
CAREY C. LYON
NANCY BRECHTEL
NICOLE E. FRANCIS •

Of Counsel

CHARLES C. GREMILLION
THOMAS D. HARDEMAN
THOMAS B. LEMANN

† Board Certified Estate Planning
and Administration Specialist

• Board Certified Tax Specialist

† Registered Patent Attorney

• Admitted in Pennsylvania only

Lafayette, Louisiana
June 12, 2003

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Marginulina Howei Zone, Reservoir C
Southwest Lake Arthur Field
Cameron Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY RESOURCES INC.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Marginulina Howei Zone, Reservoir C, in the Southwest Lake Arthur Field, Cameron Parish, Louisiana:

1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Marginulina Howei Zone, Reservoir C, in the Southwest Lake Arthur Field, Cameron Parish, Louisiana, said unit to be designated MARG H RC SUA.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Denbury Resources Inc. as operator of the proposed unit.
4. To designate the Denbury Resources Inc. – Rainbow Gun Club No. 1 Well as unit well for the proposed unit.
5. To provide that any future wells drilled to Marginulina Howei Zone, Reservoir C, should be exempt from the spacing provisions of Statewide Order No. 29-E.

June 12, 2003

LISKOW & LEWIS
A PROFESSIONAL LAW CORPORATION

Page 2

6. To provide that the Commissioner of Conservation should be authorized to reclassify such zone and reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir changes and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

7. To consider such other matters as may be pertinent.

The Marginulina Howei Zone, Reservoir C, in Southwest Lake Arthur Field, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 15,469 feet and 16,040 feet (electrical log measured depths) in the Denbury Resources Inc. - Rainbow Gun Club No. 1 Well, located in Section 10, Township 12 South, Range 4 West, Cameron Parish, Louisiana.

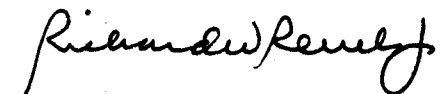
Pertinent data, including well logs, may be obtained **AT THE COST OF THE REQUESTING PARTY** from Mr. David Comeaux at Leon Comeaux & Associates, Post Office Box 53922, Lafayette, LA 70505, Telephone Number (337) 233-9839.

The Commissioner of Conservation has waived the 20-day pre-application notice in connection with this application, and in accordance with the provisions of Rule 8, a conference to discuss the applicant's proposal is hereby scheduled for **10:30 A.M. on Thursday, June 26, 2003, at the offices of Liskow & Lewis, 822 Harding Street, Lafayette, Louisiana, 70503.**

Attached hereto and made a part hereof is a plat outlining the proposed unit and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this pre-application notice is being sent. Pursuant to the Rules of Procedure, the list of parties is being furnished only to the Commissioner of Conservation and the District Manager of the Lafayette District of the Office of Conservation; however, the list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed is our check on behalf of the applicant, in the amount of \$755.00, **made payable to the Office of Conservation** representing the required hearing application fee.

Very truly yours,

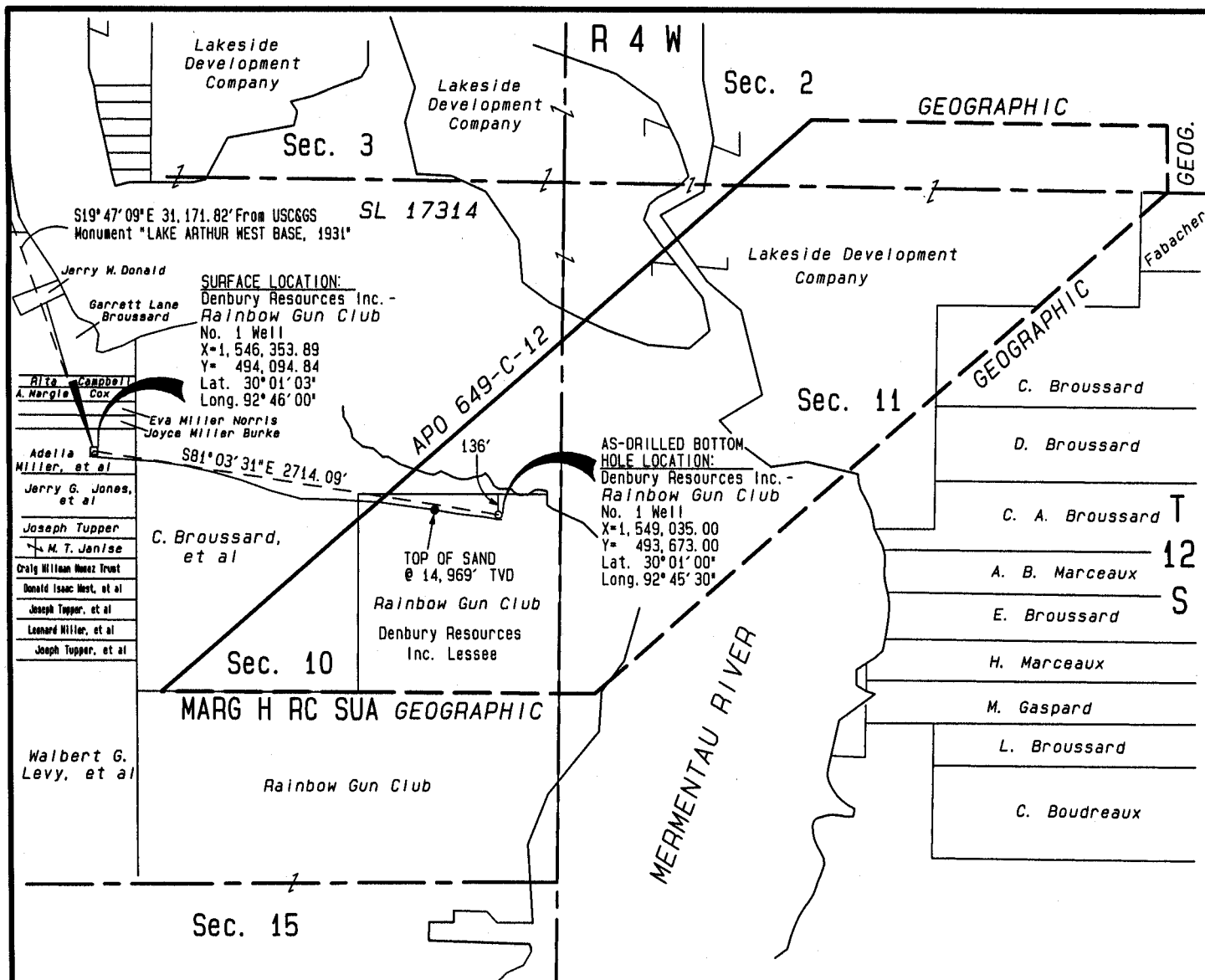


Richard W. Revels, Jr.

RWRjr/dbf
Attachments

cc: Mr. Richard Hudson, Lafayette District Office of Conservation
cc: Interested Owners, Represented Parties and Interested Parties

18029.0024
104321_1



Denbury Resources Inc. -
Rainbow Gun Club No. 1 Well
Prepared November 15, 2002 as follows:
SURFACE LOCATION being S19°47'09"E 31,171.82' from USC&GS Monument "LAKE ARTHUR WEST BASE, 1931", located in Section 10, T12S-R4W.
AS-DRILLED BOTTOM HOLE LOCATION to be S81°03'31"E 2714.09' From the Surface Location, located in Section 10, T12S-R4W, Cameron Parish, Louisiana.

No residential or commercial structures exist within a 500' radius of the proposed well location on November 15, 2002.



Robert L. Lastrapes
Professional Land Surveyor
Registration No. 4717

DENBURY RESOURCES INC.

PROPOSED MARG H RC SUA
Containing 249.979 Acres
Southwest Lake Arthur Field
T12S-R4W

Cameron Parish, Louisiana

C.H. Fenstermaker & Associates, Inc.

1000' 500' 0' 1000'

Civil Engineers Environmental Consultants Land Surveyors
Houston Lafayette New Orleans

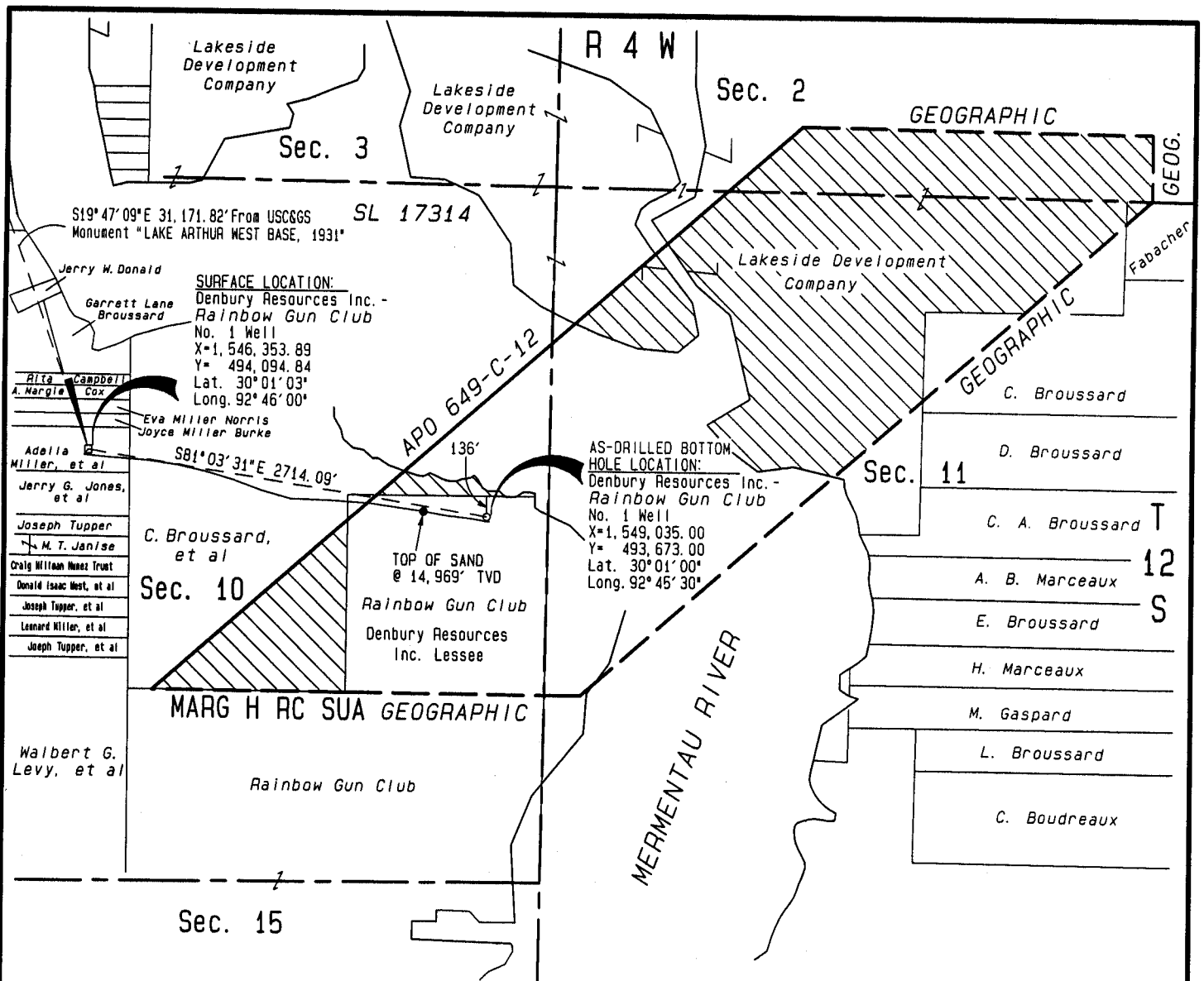
REVISED: 11/26/02 ALL, 01/31/03 ALL,
06/10/03 ALL

2021318 I:/infocad/rangew/12S4W 48

Drawn By: MDR

Date: November 15, 2002

Proj. Mgr.: RLL



Denbury Resources Inc. -
Rainbow Gun Club No. 1 Well
Prepared November 15, 2002 as follows:
SURFACE LOCATION being S19°47'09"E 31,171.82' from USC&GS
Monument "LAKE ARTHUR WEST BASE, 1931", located in Section 10,
T12S-R4W.
AS-DRILLED BOTTOM HOLE LOCATION to be S81°03'31"E 2714.09'
From the Surface Location, located in Section 10, T12S-R4W,
Cameron Parish, Louisiana.

No residential or commercial structures exist
within a 500' radius of the proposed well
location on November 15, 2002.



Robert L. Lastrapes
Professional Land Surveyor
Registration No. 4717

DENBURY RESOURCES INC.

PROPOSED MARG H RC SUA
Containing 249.979 Acres
Southwest Lake Arthur Field
T12S-R4W

Cameron Parish, Louisiana

C.H. Fenstermaker & Associates, Inc.

1000' 500' 0' 1000'

Civil Engineers Environmental Consultants Land Surveyors
Houston Lafayette New Orleans

REVISED: 11/26/02 RLL, 01/31/03 RLL,
06/10/03 RLL

2021318 i:/infocad/rangew/12S4W 65 Drawn By: NDR

Date: November 15, 2002 Proj. Mgr.: RLL